
BOOK REVIEW

**Baptista, Luis, Jenny Preunkert, Georg Vobruba (eds.).
*Aftermath: Political and Urban Consequences of the Euro
Crisis*. Lisbon: Edições Colibri, 2015, pp. 202.**

The 2008 financial meltdown sent powerful shockwaves around the globe. Europe felt the heat when foreign investment began to dwindle and various states found themselves hit by a catastrophic chain reaction. Irresponsible fiscal policies resulted in the paralysis of weak economies. At this point, there arose shrill voices that questioned the very foundations of the European project.

This compendium of essays deals with the political and social subtleties that are usually quashed by cold quantitative analysis. It is a politico-sociological study that attempts to interpret the Euro crisis in terms of human behaviour. The authors of this collection belong to Germany and Portugal. More than an analysis of a disaster, it is a survey of the process through which an actor responds to a particular situation in the context of his/her environment.

The choice of authors from Portugal and Germany manifests rich symbolism. Portugal is situated on the south-western edge of continental Europe while Germany straddles the central plains across the Rhine and Elbe rivers. Both have a distinctive commercial outlook. Germany is a manufacturing colossus and it is heavily export oriented. Portugal, on the other hand, has also seen vigorous economic activity, but the sovereign debt crisis has exposed its economy to considerable stress.

The volume begins with an essay entitled, "Assessing the Euro Crisis: Currency, Conflict and the Construction of a European Society" by Georg Vobruba. It discusses the contradictions that have appeared in the wake of the Euro crisis. The common currency (Euro), which has faced lots of criticism has shielded the Eurozone from wild currency fluctuations. The recent clamour for abandonment of the common currency and a return to national currencies overrates their potential to revitalize the beleaguered

economies. Paradoxically, according to the author, the process of closer integration at the supranational level has also accelerated in these circumstances. The various EU institutions and instruments have largely emerged unscathed from the vicissitudes of the crisis. He cites the examples of the European Stability Mechanism (ESM), an intergovernmental initiative devised to address macroeconomic imbalances and the European Financial Stability Facility (EFSF). Briefly put, the conflicts caused by the adoption of a common currency have the intrinsic quality of furthering collaboration.

The next theme, “German Unions and Business: What the Crisis is about and How to Solve it”, examines the divergent stands adopted by workers’ and employers’ unions during the course of the financial crisis. The author offers a systematic analysis of their public posturing as reflected in the official press releases issued from 2008 to 2013. It is, indeed, interesting how these two sectors of the economy sought state intervention from entirely different vantage points. The employers did not see any deficiencies or problems in German capitalism. On the other hand, the workers were under stress owing to the austerity measures that were introduced. For them, the culprits were avaricious speculators.

The third article, “Secrecy in Times of Crisis”, investigates the tension between parliamentary oversight and executive secrecy in times of crisis. While the parliament insists on transparency, the government finds it necessary to shield critical information which could potentially undermine economic stability. For instance, a premature disclosure of an imminent government intervention to regulate markets might trigger panic.

In an essay titled, “The Migrant Crisis and the Europeanization of the Border Region”, the author draws the reader’s attention to the notion of ‘post-national border structure’. In support of her disquisition, she cites the issue of migration from North Africa into Europe. Italy, being the closest to North Africa in the Schengen area, faced the incessant influx of migrants in the summer of 2011. They had been displaced due to socio-political destabilization in the wake of the ‘Arab Spring’. Italy asked for a common response to the refugee crisis. However, the states with less exposed borders such as France and Germany refused to respond collectively to the issue. This forced Italy to permit these refugees/migrants to move north, and this strategy forced the reluctant Schengen partners to emerge from

their comfort zones. They had invoked national sovereignty against the Italian request for a common response.

Enrico Borghetto from the NOVA University of Lisbon contributed the next paper on “Questioning the Government in Time of Crisis: An Analysis of Question Time in Spain”. It examines the deliberations in the Spanish parliament during financial turmoil. In the EU, an incumbent government has to strike a balance between supranational commitments and domestic requirements. This becomes tricky, particularly when the introduction of austerity measures becomes necessary. The electorate expects the mainstream opposition to adopt a different stand, but it too realizes the constraints of governance and espouses a somewhat similar attitude.

Following it, is an essay written by Sylke Nissen, Professor at the University of Leipzig. He explores the level of autonomy granted to European cities by their respective national governments and how this has contributed to reducing economic anxiety. The author makes a distinction between ‘agglomerations’ and cities with relatively autonomous administrative structures. A well-oiled municipal machinery does not rely that much on dole-outs from the centre.

The subsequent essays provide insight into the urban and regional dynamics in Portugal. Cities are inviting greater investment to enhance economic growth. For making cities attractive for investment, urban authorities are rapidly injecting resources into impoverished parts of the cities. Since this is being done in an era of austerity, the main objective is to entice foreign capital. Lisbon’s inner city, Mouraria, is discussed to illustrate the strategy.

Algarve, the southernmost Portuguese region, is examined under the title, “Urban Crisis in Seasonal Territories”. This region has undergone substantial transformation since the 1960s. It has become a tourist hotspot. Naturally, this created new employment opportunities. An extensive communication infrastructure was also developed in the region which increased greater people to people contact. The opportunity cost of all that hustle and bustle was the irreversible transformation of Algarve’s original character. Furthermore, too great a reliance on the central government exposed the region to recessionary shocks. An austerity hit

administration could hardly keep out the unemployed in what could be called a 'seasonal' territory.

The anthology concludes with an article authored by Jenny Preunkert on Europe's efforts to tackle the economic meltdown and restore 'creditor trust'. It highlights the fact that the focus has largely been on correcting the macro-economic imbalances, while social welfare appears to be very low on the list of priorities. Countries like Greece, Portugal, Spain and Italy, though being burdened by mounting public debt had still been maintaining hefty social expenditures. They have been brought under closer scrutiny.

Overall, the work is a valuable addition to existing literature on the subject, for it opens new vistas for comprehending a very complex set of crises. This compendium provides a rational and scholarly critique in contrast to the ideologically driven op-eds in newspapers.

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